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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

FOS-2

April 1935

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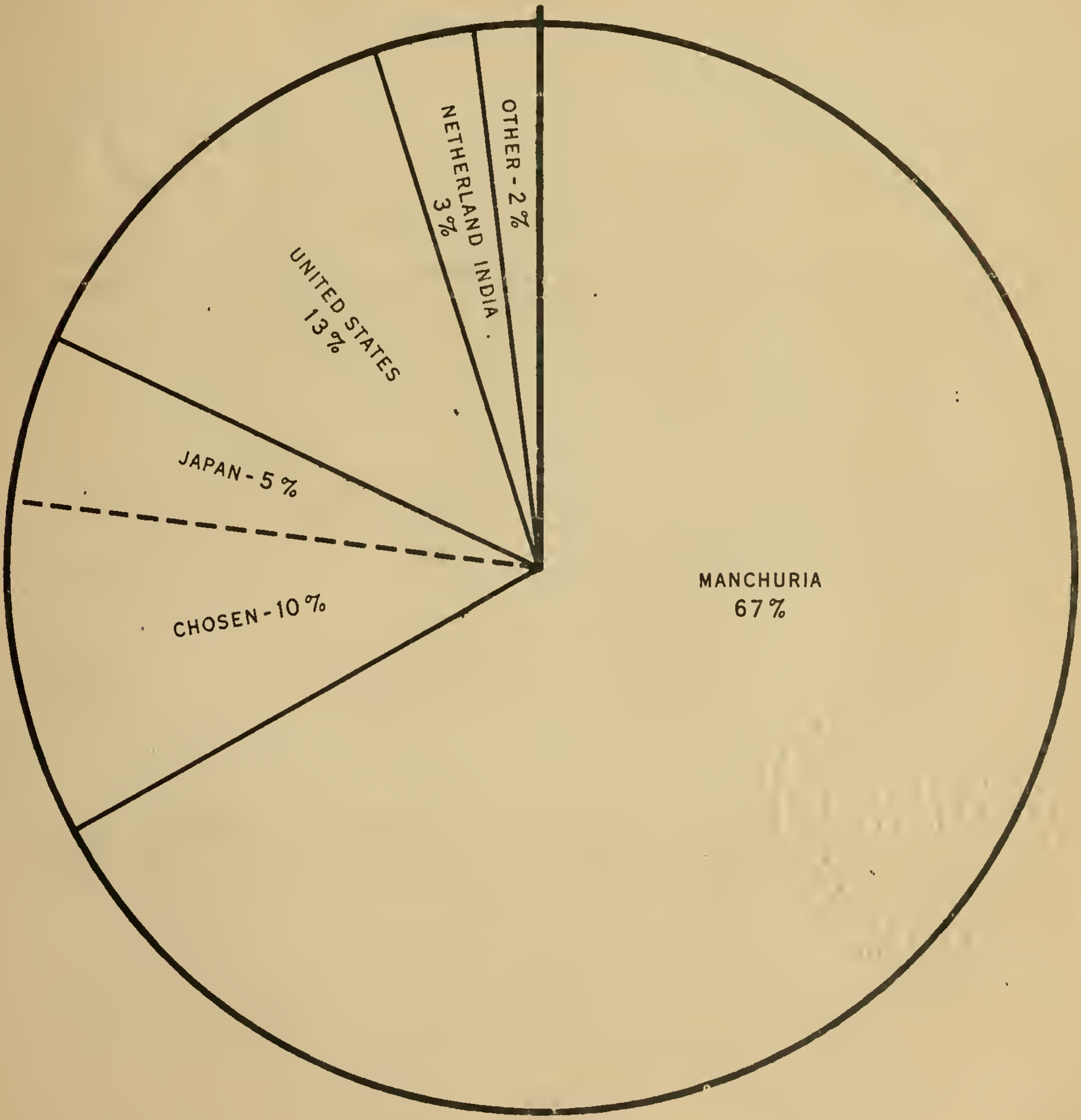
THE FATS AND OILS SITUATION

This month's issue is devoted largely to the outlook for the three oilseeds - soybeans, flaxseed, and peanuts. Future issues will feature other phases of the fats and oils situation.

ESTIMATED SOYBEAN PRODUCTION - EXCLUDING CHINA



U. S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

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Table 1. - Soybeans: Production in specified countries, 1925-36

Crop year	United States	Manchuria 1/	Chosen	Japan	Netherland India 2/
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1925	4,875	126,103	23,609	17,106	4,038
1926	5,239	107,731	22,276	14,213	3,608
1927	6,938	163,333	24,300	15,467	3,961
1928	7,880	177,800	19,510	14,110	4,303
1929	9,398	178,389	20,434	12,585	3,917
1930	13,471	196,944	22,989	14,381	4,692
1931	16,733	192,057	21,155	11,777	4,722
1932	14,975	156,821	22,578	11,435	5,471
1933	13,147	169,056	23,324	13,307	6,676
1934	23,095	122,980	19,519	10,255	6,445
1935	44,378	141,793	22,401		7,448
1936 3/	29,616	155,424			

1/ Data for Manchuria are from reports of the South Manchurian Railway, and Manchurian Government cooperating, and do not include large production in China proper.

2/ Native crops only.

3/ Preliminary.

Countries producing small amounts of soybeans include U.S.S.R., Bulgaria, and others.

SOYBEANS AND SOYBEAN OIL

Soybean oil has enjoyed a rapidly increasing importance in the United States during the past few years. As recently as 1930, it accounted for less than 1 percent of the vegetable oil production from domestic materials in the United States and only about 2/10 of 1 percent of the total consumption of fats and oils. But in 1936, soybean oil represented 12 percent of the vegetable oil production and 2-1/2 percent of the total consumption. Thus, the outlook for the soybean crop, embracing beans and meal as well as oil, is of growing significance in the fat and oil situation in the United States.

World Production and Imports of Soybeans

Although domestic production of soybeans has greatly increased in recent years, the United States is still a poor second to Manchuria in production. (See cover page.) The 1936 Manchurian crop of 155 million bushels accounted for two-thirds of world production, excluding China proper. China produces large quantities but reliable statistical data are not available. Practically all the soybeans entering world trade are from Manchuria.

Germany is the largest single importer, but steadily, year by year, is taking fewer beans. Imports into Germany in 1936 were only about 40 percent of 1932 imports. From 1931 to 1935, the United Kingdom imported a net average of about 79 million pounds of soybean oil and oil equivalent of soybeans, but net imports in 1936 amounted to only slightly over 50 percent of the previous 5-year average, partly because of ad valorem import duties of 10 percent on soybeans, effective August 1, 1935, and 20 percent on soybean oil, effective March 11, 1936. Denmark's net imports of soybeans and oil remained at about the same level as in 1935, or about 42 million pounds total. Sweden, next in importance as an importer, has taken a steadily increasing volume of soybeans, growing from 1 million bushels in 1931 to 5 million bushels in 1936.

Increasing Domestic Production

From 1924 to 1931 there was a marked upward trend in domestic production, but the increase in any one year was slight. Following smaller crops in 1932 and 1933, production jumped to 23 million bushels in 1934, and 44 million bushels in 1935. There were several reasons for this rapid growth. Some of the increase in soybean acreage was undoubtedly due to reductions in acreage planted to other crops in accordance with the Agricultural Adjustment programs. The relative freedom of soybeans from drought and pest hazards probably played a part also. Moreover, the record crop in 1935 was encouraged by the satisfactory prices received in 1934. Production in 1936 fell to 30 million bushels because of lower yields and reduced acreage. The smaller acreage was largely the response to lower prices paid for the large 1935 crop, although the fact that soybeans for crushing were classified as soil-depleting under the Agricultural Conservation Program also may have been a factor. The upward trend in soybean production seems likely to continue, but increases as large as those in 1934 and 1935 will probably not be repeated for some time. See table 2.

Table 2.- Soybeans: Acreage, yield per acre, and production, 1924-36

Year	Equivalent of total solid acreage 1/	Acreage (except for hay) 2/	Acreage from which beans are gathered 3/	Yield per acre	Production
	1,000 acres	1,000 acres	1,000 acres	Bushels	1,000 bu.
1924	1,782	635	448	11.0	4,947
1925	1,785	610	415	11.7	4,875
1926	2,127	696	466	11.2	5,239
1927	2,350	794	568	12.2	6,938
1928	2,439	830	579	13.6	7,880
1929	2,736	994	708	13.3	9,398
1930	3,387	1,366	1,008	13.4	13,471
1931	4,194	1,494	1,104	15.2	16,733
1932	4,049	1,374	977	15.3	14,975
1933	3,777	1,334	997	13.2	13,147
1934	5,994	1,925	1,539	15.0	23,095
1935	7,111	3,111	2,697	16.5	44,378
1936 4/	6,312	3,103	2,113	14.0	29,616

1/ Computed as follows: Add acreage for - 1. Grain; 2. Hay; 3. Other purposes; 4. Interplanted with other crops reduced by 0.50 for all States except Mississippi which is reduced by 0.60.

2/ Excluding soybeans cut for hay. Soybeans planted in corn, and soybeans grazed or hogged off are included for the important Southern States but omitted for unimportant Northern States.

3/ Solid equivalent of acres from which soybeans are gathered.

4/ Preliminary.

Domestic Production and Consumption of Soybean Oil

Since 1930, when the present tariff of 2 cents per pound was imposed on soybeans, imports have been negligible. Although soybeans have, at times, been exported from the United States since 1931, most of the increased production in recent years has been crushed in this country. Consequently the domestic production of soybean oil has kept pace with that of soybeans, increasing from 26 million pounds in the 1933-34 marketing year, to 73 and 209 million pounds in 1934-35 and 1935-36, respectively. See table 3.

This increased production occurred at the same time that the demand for soybean oil for edible uses also was increasing because of reduced supplies of lard and cottonseed oil. As a result, most of the increased production went into the edible field. Prior to 1935, the most important outlet for soybean oil was in the paint and other drying-oil industries. In the past 2 years, however, the increased consumption in the edible field has made soybean oil predominantly an edible oil. In the period 1931-34, 50 percent of the factory consumption was in the drying-oil industries, while only 21 percent went into edible products. During the past 2 years, the amount of soybean oil used as a drying oil actually increased but represented only 13 percent of total factory consumption compared with 77 percent used in the edible field.

Table 3.- Soybeans crushed, exported, and used for feed or seed; soybean oil, crude, production, imports, and apparent disappearance, 1924-25 to 1935-36

Year beginning Oct.	Soybeans				Soybean oil, crude		
	Crushed	Exported 1/	Total as percentage of production	Used for seed or feed	Factory production	Net imports	Apparent disappearance
	1,000 bu.	1,000 bu.	Percent	1,000 bu.	1,000 lb.	1,000 lb.	1,000 lb.
1924-25	307	-	6.2	4,640	2,268	15,180	19,924
1925-26	351	-	7.2	4,524	2,639	26,675	23,153
1926-27	335	-	6.4	4,904	2,658	11,853	16,394
1927-28	559	-	8.1	6,379	4,373	4,942	10,039
1928-29	882	-	11.2	6,998	7,284	8,518	11,487
1929-30	1,666	-	17.7	7,732	13,424	5,814	17,983
1930-31	4,069	-	30.2	9,402	34,688	197	31,871
1931-32	4,725	2,161	41.2	9,347	39,946	2/ -2,339	36,919
1932-33	3,470	2,450	39.5	9,055	29,078	1,422	36,293
1933-34	3,054	-	23.2	10,093	26,196	2/ -96	22,141
1934-35	9,105	19	39.5	13,971	78,123	9,509	88,260
1935-36 3/	25,181	3,490	64.6	15,707	208,965	5,219	189,110

1/ Inspected for export by Federal licensed inspectors.
2/ Net exports.
3/ Preliminary.

Compiled as follows:
Production of soybean oil and crushings of soybeans, Bureau of the Census, Animal and Vegetable Fats and Oils. Reports do not state whether production of oil is from domestic or foreign materials.
Net imports of soybean oil, Foreign Commerce and Navigation of the United States. Crude and refined not separately reported, used as crude.

The following table supplies total utilization data used in Figure 1. See also table 5.

Table 4.- Soybean oil, crude: Production, trade, stocks Dec. 31, and apparent disappearance, 1924 - 36

Calendar year	Factory production	Imports	Exports	Reexports	Net imports	Stocks, Dec.31	Apparent disappearance
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1924	950	9,125	2,264	277	6,584	2,836	14,149
1925	2,520	19,493	520	1,748	17,225	2,456	20,123
1926	2,646	30,712	1,567	545	28,600	7,723	25,981
1927	3,088	14,915	5,444	1,184	8,287	6,291	12,807
1928	4,716	13,116	7,142	852	5,122	6,073	10,056
1929	11,009	19,489	7,967	129	11,393	15,631	12,844
1930	14,387	8,348	4,962	517	2,869	15,178	17,709
1931	39,150	4,916	4,551	898	1/ -533	18,650	35,145
1932	39,445	405	2,647	46	1/-2,288	16,552	39,255
1933	26,533	3,669	1,569	0	2,100	13,534	31,651
1934	35,366	2/ 2,829	2,040	-	789	19,007	30,682
1935	105,056	14,248	4,111	-	10,137	31,090	103,110
1936 3/	225,297	7,188	4,029	-	3,159	33,390	226,156

1/ Net exports.
2/ Imports for consumption, beginning January 1934.
3/ Preliminary.

Compiled as follows:
Production and stocks -
Bureau of the Census, Animal and Vegetable Fats and Oils.
Reports do not state whether from domestic or foreign materials, 1924-36. Stocks are crude plus refined, converted to crude basis (using 0.94).
Trade figures -
1924-36, Foreign Commerce and Navigation of the United States, Crude and refined not separately reported, used as crude.
Apparent disappearance computed from other items.

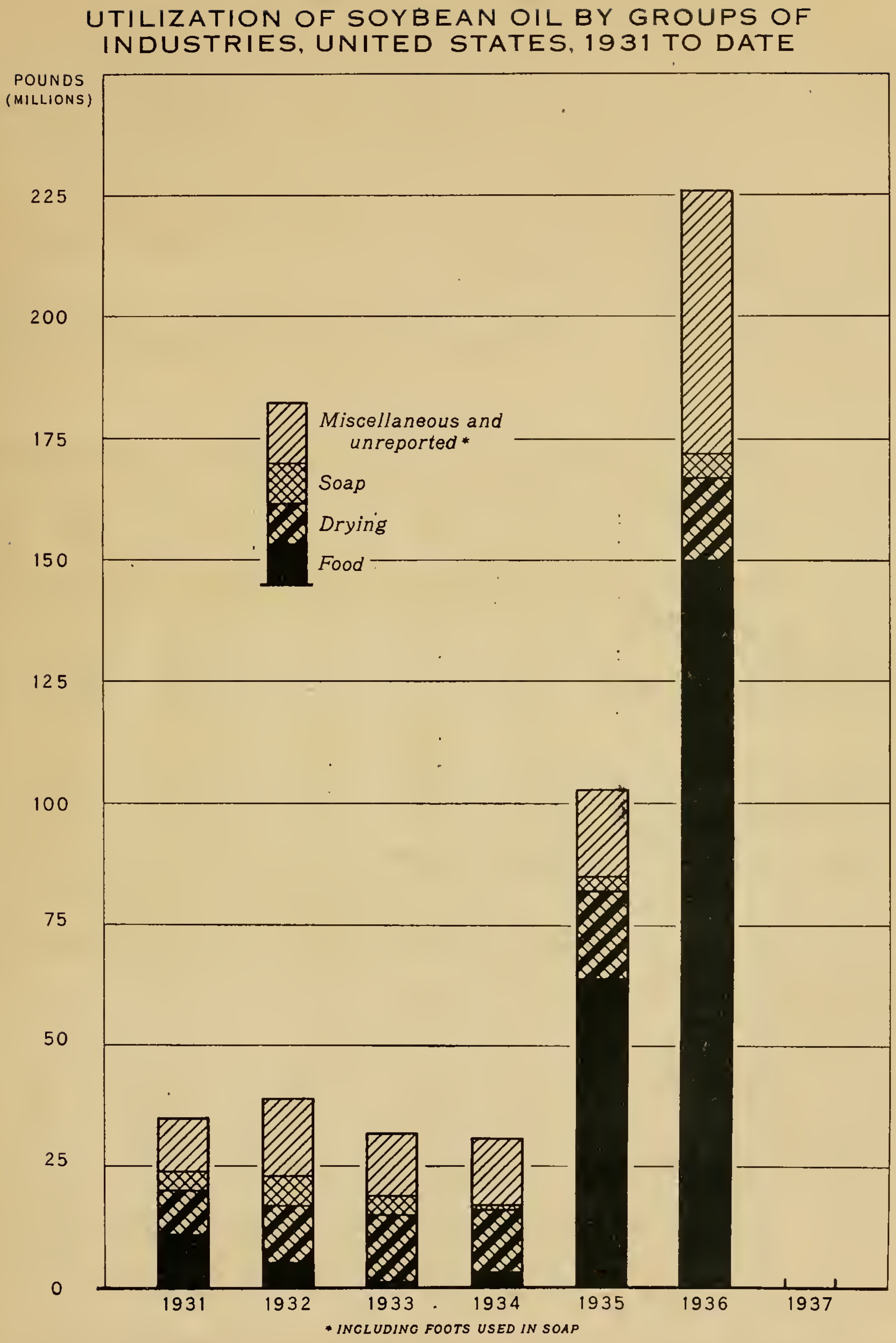

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FIGURE I

With present technical knowledge, soybean oil is still essentially a substitute oil. Although there are some uses to which it has been found to be specially adapted, they supply an outlet for only a small part of the production. In paints and varnishes, soybean oil is handicapped by a relatively low drying power, and is mixed with other oils of higher drying qualities chiefly on the basis of its lower price. In edible products it is at a disadvantage because of its tendency to acquire an unpleasant flavor on aging, and a lower price is also the basis for its utilization in this field. If and when supplies of lard and cottonseed oil return to normal, consumption of soybean oil in food products may decrease sharply unless this handicap is overcome in the meantime.

Reported factory consumption shown in the following table is somewhat less than total disappearance computed on production, stocks and trade. See also table 4.

Table 5.- Soybean oil: Factory consumption, by classes of products, 1931-36

Products	1931	1932	1933	1934	1935	1936
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Compounds and vegetable shortenings	10,869	4,889	489	2,735	52,452	113,897
Oleomargarine	623	3	7	24	1,740	14,262
Other edible	-	180	460	509	9,421	21,598
Soap	3,816	5,571	4,235	1,354	2,549	5,023
Drying industry 1/	8,901	11,593	14,274	13,353	17,871	17,419
Miscellaneous	2,051	1,875	2,626	2,109	1,665	3,405
Loss, including foots	1,625	1,158	867	823	5,468	8,959
Total	27,885	25,269	22,958	20,907	91,166	184,563
	As a percentage of the total factory consumption of soybean oil					
	Percent	Percent	Percent	Percent	Percent	Percent
Compounds and vegetable shortenings	39	19	2	13	57	61
Oleomargarine	2	2/	2/	2/	2	8
Other edible	-	1	2	2	10	12
Soap	14	22	19	7	3	3
Drying industry 1/	32	46	62	64	20	9
Miscellaneous	7	7	11	10	2	2
Loss, including foots	6	5	4	4	6	5
Total	100	100	100	100	100	100

1/ Includes paints and varnishes, linoleum and oilcloth, and printing inks.
2/ Less than one-half of one percent.

Based on Bureau of the Census, Factory Consumption of Primary Animal and Vegetable Fats and Oils, by Classes of Products, calendar years, 1931-36, inclusive.

Summary of Outlook for Soybeans

At present, the soybean situation is favorable to growers, with good prices being paid as a result of reduced production in 1936 and a strong demand for both oil and meal. The immediate outlook is also satisfactory, with the seasonal demand for soybeans for seed purposes expected to offset the price-depressing effect of a possible decline in meal prices.

For the last part of 1937, however, the outlook is less favorable. If production this year is as large as acreage intentions indicate, meal prices may fall to the level of $20 to $25 per ton which prevailed in 1935. If this should occur, it would have a depressing effect on soybean prices, even though soybean oil prices continue high.

Present Situation and Immediate Outlook

Prices of soybeans, soybean meal, and soybean oil are at relatively high levels at the present time. The demand for soybeans as seed will tend to keep bean prices up during the next few months, although changes in the prices of soybean oil and meal will still be important factors influencing the price of soybeans. Continued business recovery and increased consumer purchasing power are expected to result in an increased demand for edible fats and oils. In view of the expected decrease in production of lard in 1937 as a result of drought liquidation of hogs during 1936, demand for cottonseed, soybean, peanut, and other edible oils used in the manufacture of lard substitutes will probably remain strong, and soybean oil will continue to be used chiefly as an edible oil.

The 1936 excise taxes on oils may tend to strengthen the prices of soybean oil and other domestic oils used in edible products, although the use of untaxed substitutes may increase slightly. Demand for oils in paints and varnishes also will increase with the continued revival of building activity, but consumption of soybean oil in this field is not likely to show any significant increase. The excise taxes on perilla and hempseed oils and oilseeds will tend to increase the use of linseed and tung oils but may discourage the use of soybean oil in paints by increasing the cost of the perilla-soybean oil combination which has been the vehicle for a large part of the soybean oil used in the paint industry. Comparative prices of soybean, perilla, and linseed oils are shown in figure 2.

Prices of soybean meal have been relatively high during the last 8 months, along with cottonseed and linseed meals, largely because of the drought and the resulting increased demand for feed. Increases in imports attracted by the high prices, together with lower demand, may result in a decline in the price of soybean meal in the next few months. Oil prices and seed demand are expected to support the market, however, and it is probable that soybeans will continue to bring good prices until the new crop enters the picture.

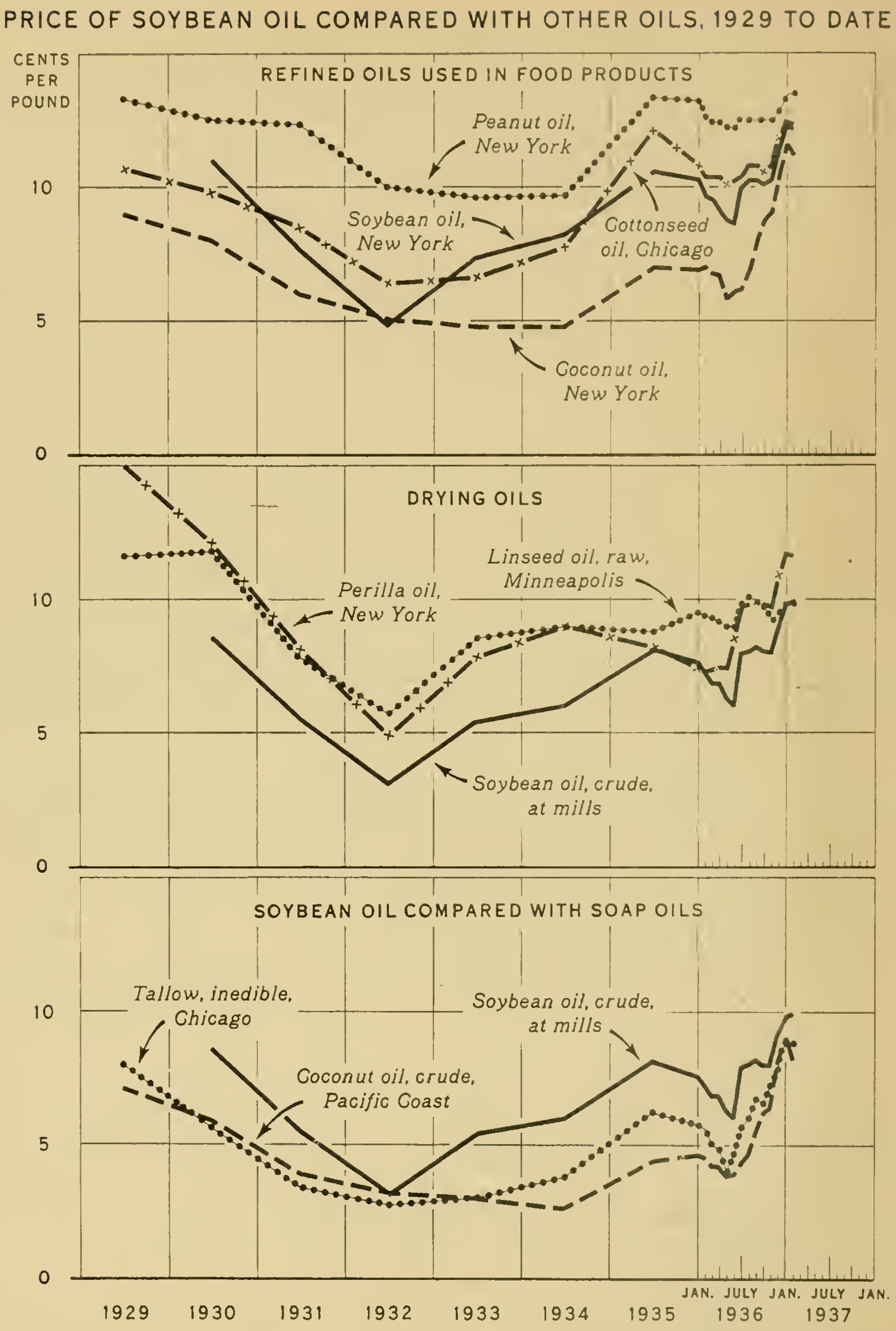

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FIGURE 2

Acreage intentions for 1937

According to the March 1 acreage intentions, 6.3 million acres of soybeans grown alone for all purposes are indicated for harvest in 1937. This is an increase of 11.3 percent over the corresponding acreage harvested in 1936.

The 1937 production of soybeans depends on the proportion of the total acreage which will be harvested for beans, as well as on the yields obtained. It is probable that most of the increase in soybean acreage is for beans, inasmuch as the increase is largely in the North Central States.

If hay supplies should prove short later in the season, however, a considerable amount of the soybean acreage may be harvested for hay. If Corn-Belt pastures should show great losses, a material shift from bean acreage to hay acreage might result in that area. Because of this variable factor, no exact estimate of production can be made; but with normal yields, from 34 to 44 million bushels may be expected, with about 38 million bushels as the most probable figure. This would be 8 million bushels above last year's production but 6 million less than the record production in 1935.

The first official estimate of 1937 soybean production in important producing States will not be released by the Bureau's Crop Reporting Board until September 10, and not until November 10 for all other States.

Outlook for 1937-38

Since the prices paid for soybeans for crushing purposes depend on the value of the oil and meal produced, continuance of the present favorable situation in the last part of 1937 and in 1938 will depend on good prices for these two products.

Maintenance of present high prices for soybean oil will depend to a considerable extent on continued demand for edible uses. If there should be a sudden decrease in demand in this field, it is probable that the paint and other drying-oil industries could absorb the surplus only at materially lower prices. Consequently, the prospective supply of lard is an important factor in the outlook. Stocks of lard, totaling 202 million pounds on March 1 are two and one-half times as large as stocks a year ago. Lower production in 1937 will probably offset the large stocks, however, and total available supplies this year will probably differ little from those in 1936 but will be well below the average supplies for the 5 years 1929-33. Therefore, the demand for lard substitutes will probably remain high during the remainder of 1937 and, to a lesser degree, in 1938.

Although there may be material increases in the production of competing vegetable oils as a result of larger crops this year, it is unlikely that these increases will be large enough to curtail the use of soybean oil in edible products during 1937-38, and prices of soybean oil will probably remain at a fairly high level.

The value of the soybean meal is usually more than 50 percent of the total value of oil and meal, and the outlook for soybean meal is a very important element in the outlook for soybeans. Soybean meal is used chiefly as a cattle feed in competition with cottonseed and linseed meals. Prices of soybean meal will depend to a large extent on the total supply of these three meals. Since this supply is expected to be increased in 1937, prospects for soybean meal are somewhat unfavorable.

FLAXSEED AND LINSEED OIL

The 1937 United States flaxseed crop will enter a market this fall affected by larger world supplies and slightly greater world demand than in the fall of 1936.

Combining estimates of January stocks of old seed, 1937 production, and movement into consumption between January 1 and August 1, 1937, for the four principal producing countries other than Russia, results in an estimated August 1, 1937, supply of about 60 million bushels compared with about 53 million bushels on the same date 1936. By the time the 1937 domestic crop is harvested, estimates will be available of the acreage to be planted in Argentina for the 1938 crop. As in past years, these Argentine prospects will be an important factor in the market for the domestic crop in the fall months. No estimate of the 1938 Argentine crop is attempted at this time.

The 1,306,000 acres of flaxseed indicated for harvest in the United States in 1937, is an increase of about 11 percent over the 1,180,000 acres harvested in 1936, but is only 47 percent of the 5-year (1928-32) average of 2,772,000 acres. If the yields should be normal the August 1 commercial supply may not exceed that of last year by more than 30 percent and would be less than half the prospective domestic requirements.

Table 6.- Flaxseed supplies in important producing countries, average 1928-32, annual 1933-37

Year	Flaxseed supplies, Aug. 1						Argentine crop	
	United States							
	Commercial supply 1/	Seed equivalent of linseed oil stocks 2/	Canada 3/	Argentina 4/	India 5/	Total Aug. 1 supplies	Year	Crop 6/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels		1,000 bushels
Average 1928-32	17,901	6,600	3,740	27,500	11,455	67,196	Average 1929-33	71,559
1933	8,179	4,612	1,694	17,461	12,977	44,923	1934	62,595
1934	7,343	4,848	1,270	22,277	10,608	46,346	1935	79,720
1935	15,401	5,597	1,737	29,893	14,796	67,424	1936	59,445
1936	8,196	7,502	1,944	24,477	10,424	52,543	1937	74,012
1937						7/(60,300)		

1/ United States, July 1 factory, market, and farm stocks of all seed plus crop, less seed for planting next crop.
2/ Stocks of oil as of June 30 in mills and warehouses only.
3/ Canadian total stocks July 31, plus crop, less seed for next crop.
4/ Argentine stocks of old seed January 1, plus crop, less exports January 1 to July 31, less estimated domestic disappearance.
5/ Indian crop less exports April 1 - July 31.
6/ The Argentine harvest usually begins in December and continues through the first few months of the following year.
7/ Preliminary estimate.

Present indications point toward a slight increase in world demand for flaxseed in the fall of 1937 compared with the 1936-37 season. Building activity in the United States has increased in volume each year since 1932 and this trend is expected to continue in 1937. Building costs have increased and may become a more important factor in determining the rate of increase in building in the United States. Demand for linseed oil in England, the most important single foreign consumer, is expected to show little change in 1937. Changes in the demand for linseed oil in France and Germany are not expected to be important.

Table 7.- Linseed oil and flaxseed: Production, trade, stocks June 30, and apparent disappearance, United States, 1920-21 to 1936-37 (net exports are indicated by a minus sign)

Year beginning July	Flaxseed		Linseed oil			
	Production	Net imports	Reported factory production	Net exports or net imports	Stocks, June 30	Apparent disappearance
	1,000 bu.	1,000 bu.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1920-21	10,900	16,169	484,313	10,764	83,707	475,741
1921-22	8,107	13,630	440,424	165,961	97,063	593,029
1922-23	10,520	25,006	594,750	53,659	81,462	664,010
1923-24	16,563	19,577	673,918	15,212	74,137	696,455
1924-25	31,220	13,419	751,340	21,182	126,793	719,866
1925-26	22,334	19,354	703,855	14,398	129,721	715,325
1926-27	18,531	24,224	749,947	-1,407	152,892	725,369
1927-28	25,174	18,112	810,603	-1,875	191,192	770,428
1928-29	19,118	23,494	737,533	4,657	123,548	809,834
1929-30	15,924	19,652	651,038	3,287	108,842	669,031
1930-31	21,673	7,813	488,545	-1,042	78,205	518,140
1931-32	11,755	13,849	438,763	-845	116,954	399,169
1932-33	11,511	6,213	318,120	-745	86,477	347,852
1933-34	6,904	17,901	442,796	1/11,866	128,406	412,733
1934-35 2/	5,661	15,332	404,060	2,290	104,949	429,807
1935-36 2/	14,520	15,388	505,530	139	140,666	469,952
1936-37 2/	5,908					

1/ Imports for consumption, beginning January 1934.
2/ Preliminary.

Compiled as follows:
Production of flaxseed - Bureau of Agricultural Economics.
Production and stocks of linseed oil - Bureau of the Census, Animal and Vegetable Fats and Oils. Factory production is from domestic and imported seed. Stocks are mill and warehouse (or crushers) stocks and do not take account of stocks in hands of local dealers, in transit, etc.
Trade figures - Foreign Commerce and Navigation of the United States.
Apparent disappearance computed from other items.

PEANUTS

The 1937 peanut acreage is expected to be increased 2 percent over the record large acreage harvested last year but, with average yields, this increased acreage would result in a total peanut crop slightly under that produced in 1936.

During the past 2 seasons, unusually large quantities of peanuts were crushed for oil and the indications are that still larger quantities are being so used in the current (1936-37) season. Whereas, crushings averaged 73 million pounds of peanuts in-the-shell during the 5 years 1928-32, and totaled only 45 million pounds in the 1933-34 season, they increased to 220 million pounds in 1934-35 and to 241 million pounds in 1935-36. (Table 8). In the current season (1936-37), crushings during the first quarter amounted to 136 million pounds and were 26 percent greater than in the first quarter of the 1935-36 season.

This unusual increased demand for peanuts, together with improving consumer purchasing power, has resulted in substantially higher average prices to growers during the past 3 seasons, despite the large crops produced. Although the production of peanuts for nuts totaled 1.3 billion pounds in 1936 compared with 946 million pounds, the 1928-32 average, prices received by growers have risen sharply from the season's low point in November and have averaged higher than for any season since 1930.

With another large peanut crop in prospect for 1937, it appears that crushers will again have to take a relatively large quantity of peanuts if prices are to continue at the levels prevailing in recent years. Recently, prime crude peanut oil, with 5 percent refining loss, was quoted at 10-1/8 to 10-1/4 cents per pound compared with 8-3/8 to 8-1/2 cents a year earlier, and bleached cottonseed oil, March delivery, ranged from 11.20 to 11.35 cents per pound, against 9.30 to 9.48 cents a year ago. Based upon the relationship of normal requirements of edible fats and oils generally to the prospective supply for 1937-38, it is probable that the demand for peanuts for oil production will be as great next season as in the 1936-37 season.

Table 8.- Peanuts and peanut oil, crude: Acreage, production, crushings, net imports, stocks September 30, and apparent disappearance, 1928-29 to 1936-37

(Net exports are indicated by a minus sign)

Year beginning Oct.	Nuts gathered		Peanuts crushed		Peanut oil			
	Acreage	Production 1/	Total 1/	As percentage of production	Factory production 2/	Net imports	Stocks at end of period	Apparent disappearance
	1,000 acres	1,000 lb.	1,000 lb.	Percent	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1928-29	1,372	934,860	56,048	6.0	12,977	3,316	3,935	14,943
1929-30	1,400	970,932	120,764	12.4	27,078	14,395	17,412	27,996
1930-31	1,136	722,745	69,630	9.6	15,549	2,648	13,360	22,249
1931-32	1,469	1,059,745	51,464	4.9	11,567	3/-8,159	2,987	13,781
1932-33	1,707	1,041,150	65,428	6.3	14,502	1,266	3,067	15,688
1933-34	1,468	967,620	45,000	4.7	9,791	1,277	2,160	11,975
1934-35	1,699	1,123,040	220,280	19.6	55,595	73,792	33,068	98,479
1935-36 4/	1,725	1,302,805	240,683	18.5	64,407	53,885	17,042	134,318
1936-37 4/	1,736	1,300,540						

1/ In-the-shell basis.
2/ From domestic material. It is believed that imported peanuts are not used for crushing.
3/ Excess of reexports.
4/ Preliminary.

Compiled as follows:
Peanuts gathered and acreage - Bureau of Agricultural Economics.
Peanuts crushed, production and stocks of peanut oil - Bureau of the Census, Animal and Vegetable Fats and Oils. Stocks are crude and virgin plus refined converted to crude (using 0.94).
Trade figures - Foreign Commerce and Navigation of the United States. Trade figures are crude and refined not separately reported.
Apparent disappearance computed from table.

COTTONSEED OIL

The cottonseed crop of 1936-37 amounted to 5,513,000 short tons compared with 4,729,000 short tons in 1935-36. Consumption of refined cottonseed oil during the past 3 months (December, January, and February) has totaled 364 million pounds, compared with 264 million pounds in the same period of 1935-36. Total stocks of refined oil and the refined equivalent of crude oil amounted to 649 million pounds at the end of February 1937, compared with 607 million pounds on the same date in 1936, and an average of 780 million pounds for 1931-35. (Table 9.)

Table 9.- Cottonseed oil, refined: Production, trade, stocks end of period, and apparent disappearance, by months, August 1935 - February 1937

Year and month	Production	Imports for consumption	Exports	Stocks, end of period 1/	Apparent disappearance
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1935					
Aug.	38,184	8,965	439	342,818	148,725
Sept.	74,313	9,712	321	286,331	140,191
Oct.	164,463	8,530	113	290,402	168,809
Nov.	172,974	6,666	251	343,848	125,943
Dec.	139,318	8,484	146	402,203	89,301
Jan.	127,383	10,973	287	453,256	87,016
Feb.	112,412	11,287	213	488,951	87,791
Mar.	86,269	13,393	329	504,337	83,947
Apr.	65,185	10,479	157	487,994	91,850
May	41,196	16,255	356	460,213	84,876
June	40,443	9,684	179	408,944	101,217
July	29,637	7,462	338	318,873	126,832
Total	1,091,777	121,890	3,129		1,336,498
1936 2/					
Aug.	22,725	14,484	125	237,220	118,737
Sept.	92,306	9,471	161	228,764	110,072
Oct.	179,722	3,122	269	307,369	103,970
Nov.	183,557	5,748	58	385,250	111,366
Dec.	168,382	884	102	418,087	136,327
Jan.	167,362	9,054	186	460,448	133,369
Feb.	141,777	21,373	173	529,781	93,644

1/ Stocks July 31, 1935, were 444,833,000 pounds.
2/ Preliminary.

Production, trade, and stocks from Bureau of the Census, Cotton Production and Distribution, and monthly preliminary reports on Cottonseed and Cottonseed products.
Apparent disappearance computed from other items.

These data should not be confused with published data concerning crude cottonseed oil.

OLEOMARGARINE

Production of oleomargarine declined from 32 million pounds in January 1937 to 29 million pounds in February. While considerably below the figures for the same period a year ago, production is still well above the 1931-35 average of 24 million pounds. (Table 10.)

The most striking changes in ingredients entering into oleomargarine were in coconut, cottonseed, and soybean oils. Coconut oil represented only 12 million pounds or 24 percent of the total fats and oils used in January and February 1937, as compared with 35 million pounds or 56 percent of the total used in the same 2 months in 1936. The amount of cottonseed oil used was more than double the amount of any other single oil, and increased from 19 million pounds or 31 percent of the total fats and oils used in January and February 1936 to 27 million pounds or 53 percent of the total used in the same 2 months in 1937. (Table 11.)

Soybean oil enjoyed an increased use in oleomargarine manufacture, jumping from a total of about 500,000 pounds in January and February 1936 to more than 5 million pounds for the same 2 months of 1937. The use of animal oils remained practically unchanged. The new oils seem to be waning in importance; babassu oil decreased by about 50 percent, and ouricuri oil, used to the extent of about 100,000 pounds per month in the last quarter of 1936, dropped to only 45 pounds in January and February 1937.

Table 10.- Oleomargarine: Production and withdrawn for consumption, January and February, average 1931-35, 1936 and 1937

Item	Average 1931-35		1936 1/		1937 1/	
	Jan.	Feb.	Jan.	Feb.	Jan.	Feb.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production	24	24	37	39	32	29
Withdrawn for consumption	24	24	36	38	33	29

1/ Preliminary estimates.

Compiled and computed from reports of the Commissioner of Internal Revenue.

Table 11.- Oleomargarine: Materials used in manufacture, United States, January and February, 1936 and 1937

Item	1936 1/		1937 1/	
	Jan.	Feb.	Jan.	Feb.
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Oleo oil	1,379	1,540	1,304	1,363
Lard, neutral	189	292	165	173
Oleostearine	408	247	261	225
Oleo stock	181	174	134	131
Cottonseed oil	8,627	10,700	13,815	12,848
Peanut oil	469	560	307	234
Soybean oil	242	348	3,125	2,283
Corn oil	-	5	181	175
Coconut oil	17,946	17,108	6,387	5,913
Babassu oil	657	976	591	258
Palm oil	105	106	138	191
Palm-kernel oil	16	27	448	83
Sunflower oil	1	4	-	-
Sesame oil	9	6	1	-
Total fats and oils	30,229	32,093	2/ 26,857	23,877
Milk	7,396	7,555	5,960	5,197
Other miscellaneous	2,081	2,123	1,597	1,345
Grand total	39,706	41,771	34,414	30,419

1/ Preliminary. 2/ Includes 45 pounds of ouricuri oil.

Compiled and computed from reports of the Commissioner of Internal Revenue.

PRICES OF SELECTED FATS AND OILS

There was comparatively little difference between the March and February 1937 prices of the 31 fats and oils for which average prices are shown in table 12. Practically all the fats and oils were at markedly higher levels in February and March 1937 than in the same months in 1936, price increases ranging from 1 to 10 cents. Likewise, with few exceptions, prices of fats and oils in the first quarter of 1937 were on a higher level than the 1936 annual average prices. The most pronounced price increases from March 1936 to March 1937, are shown by the following: Edible olive oil advanced 10.5 cents; teaseed oil, 4.9 cents; rape oil, 4.7 cents; crude coconut oil, 4.4 cents; perilla oil and grease, 4.3 cents; inedible tallow, 3.9 cents; olive oil foots, 3.8 cents; butter, 3.6 cents; and crude soybean oil, 3.0 cents. Only two other oils were lower in price in March 1937 than in March 1936: Tung oil, 1.5 cents, and sesame oil, 0.3 cents.

Table 12.- Price per pound of selected fats and oils, February - March, 1936 and 1937

Fat or oil	1936		1937	
	Feb.	March	Feb.	March
	Cents	Cents	Cents	Cents
Butter, 92°, New York	36.9	32.2	34.3	35.8
Oleomargarine, nut, Chicago	11.5	11.5	15.0	14.4
Lard, prime steam, Chicago	10.8	10.8	12.4	12.5
Lard, refined, Chicago	12.1	11.9	13.3	13.2
Lard compounds, Chicago	12.2	11.9	13.8	13.7
Coconut oil, edible, New York	7.0	6.8	11.2	11.0
Cottonseed oil, crude, f.o.b. S.E.mills	8.4	8.3	9.9	9.9
Cottonseed oil, p.s.y., New York	9.7	9.4	11.0	
Soybean oil, refined, New York	9.6	9.6	12.2	12.2
Peanut oil, domestic, refined, N.Y.	12.6n	12.4	13.5n	13.5n
Rape oil, refined, New York	7.2	7.0	11.4	11.7
Oleo oil, No. 1, New York	12.4	11.5	13.8	13.4
Oleostearine, barrels, New York	8.6	7.9	10.4	10.3
Corn oil, refined, New York	12.1	11.0	12.9n	13.0
Olive oil, edible, New York	23.3	22.8	31.3n	33.3n
Sesame oil, refined, New York	10.6	10.4	10.2n	10.1n
Sunflower oil, refined, New York	10.3	10.0	12.3	12.2n
Teaseed oil, edible, New York	9.5n	9.1n	14.7n	14.0n
Coconut oil, crude, Pacific Coast	4.5	4.2	8.2n	8.6n
Tallow, inedible, Chicago	5.6	5.0	8.8	8.9
Grease, house, New York	5.0	4.5	8.5	8.8
Palm oil, crude, New York	4.9	4.7	6.9n	6.6
Olive oil foots, barrels, New York	8.4	8.2	12.5	12.0n
Palm-kernel oil, denatured, N.Y.	4.8n	4.7n	7.4	7.4
Babassu oil (futures), tanks, N.Y.	7.1n	7.0n	-	-
Sardine oil, tanks, Pacific Coast	5.0	4.4n	6.9	7.2
Linseed oil, raw, Minneapolis	9.4	9.3	9.8	10.0
Tung oil, drums, New York	15.0	16.9	15.4	15.4
Perilla oil, drums, New York	7.2	7.3	11.6	11.6
Soybean oil, crude, fob mills	7.2	6.8	9.9	9.8
Menhaden oil, crude, fob Balto.	4.8n	4.6n	5.1	5.7
Hempseed oil, crude, New York	8.4	8.4	-	-
Castor oil, No. 3, New York	10.2	10.2	10.2	10.2
Cod oil, barrels, Newfoundland	5.3n	5.3n	6.8n	6.8n

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